



Trade Facts

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A Common-Sense Approach to Advance the Doha Development Agenda

- The U.S. does not want 2004 to be a lost year for the Doha Development Agenda of World Trade Organization (WTO) negotiations. U.S. Trade Representative Robert B. Zoellick has written to the WTO Ministers responsible for trade (over 140) to suggest a "common sense" approach to advancing negotiations this year.
- Zoellick's letter offers some observations and suggestions and proposes a WTO Ministerial meeting before the end of this year in Hong Kong. Zoellick plans a round-the-world tour of key capitals in February to meet with Ministers, listen to ideas, and work for progress.
- The letter suggests that WTO members should focus on the basics, especially the core market access topics of agriculture, goods and services.
 - **Agriculture:** The letter suggests that WTO Members agree to eliminate agricultural export subsidies by a date certain. In addition, Members should agree to substantially decrease and harmonize levels of trade-distorting domestic support, and seek a substantial increase in real market access opportunities both in developed and major developing economies. The letter notes that the U.S. stands by its 2002 proposal to set a goal of total elimination of trade-distorting subsidies and barriers to market access. The letter also suggests that domestic supports, export subsidies, and tariffs for cotton (including cotton textiles) be cut substantially as part of a comprehensive agreement.
 - **Goods:** The letter suggests Members pursue an ambitious tariff-cutting formula for manufactured goods that includes sufficient flexibility so that the methodology will work for all economies. In addition to the tariff-cutting formula, sectoral zero-tariff initiatives should be an integral part of the negotiations, and the letter suggests a "critical mass" approach be used to define participation in sectoral initiatives. The letter also notes that there appears to be consensus to tackle non-tariff trade barriers in the Doha negotiations.
 - **Services:** The letter suggests that Ministers press for meaningful services offers from a majority of WTO members, as well as technical assistance to help developing countries present offers.
- With regard to the "Singapore Issues", the letter suggests proceeding with negotiations on trade facilitation, further exploring interest in negotiations on transparency in government procurement, and dropping—or developing a plan of further study for—the issues of competition and investment.
- The letter suggests that WTO Members appoint a new chair of the WTO General Council from a developing country, even though the rotating Chair for this year would normally be chosen from a developed nation. To press discussions forward, additional meetings of Geneva- and capital-based senior officials would seek to develop frameworks for negotiations by mid-year, with a full WTO Ministerial before the end of this year. Hong Kong has already offered to host the next WTO Ministerial meeting.